

BACKGROUND

IRAN'S CURRENT POSITION ON OIL DISPUTE

- I. Will not resume relations with Britain until progress is made toward settling oil dispute.
- II. Favors an international consortium to transport and distribute Iranian oil, but AIOC must not be a majority participant.
- III. Will not permit AIOC to ask compensation for loss of future profits.
- IV. Insists that any agreement must ensure to Iran that its oil income will never "be less than the maximum accruing to others."

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SECURITY INFORMATION

*Estimated*

NSC BRIEFING

12 November 1953

Summary of ONE memorandum of 9 November

"THE SHORT TERM POLITICAL OUTLOOK IN  
ITALY (through 1955)

1. Italy faces a period of political instability with the prospect of a further weakening of the democratic center and a strengthening of both right and left extremes.
  - a. Any settlement of the Trieste crisis which does not appear favorable to Italy ---- which does not approximate the US-UK 8 October decision ---- will probably lead to the fall of the Pella cabinet and further strengthen these extremes.
2. A Trieste settlement favorable to Italy would bolster the present Italian government.

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SECURITY INFORMATION

- a. It would not, in itself, be sufficient to avert the weakening of the democratic center in Italy.
- 3. However, we believe it unlikely that during the next two years a Communist-dominated government will come to power, whether by coup or by legal means.
  - a. Any changes in the political complexion of the Italian government over the next two years are more likely to be toward the right than toward the left.
  - b. A right dictatorship, however, would be highly unlikely.

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